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## THE POSITION AND TASKS OF HUNGARIAN FOREIGN TRADE

Janos Szita

The 1951 budget of the Hungarian Ministry of Foreign Trade shows significant advances compared to last year's. The 1951 foreign-trade budget is 36 percent greater than that for 1950.

Since the liberation, foreign trade has increased year by year, and trade in 1950 is expected to be about 20 percent higher than in 1949. The volume of foreign trade in 1950 was three times that of 1947.

A large part of Hungary's exports always consisted of agricultural products. At present, large quantities of agricultural products are being exported, while industrial raw materials and equipment necessary to the fulfillment of plans are being imported. Yet more and more industrial products, semifinished goods, and finished goods are being exported. Before the war, industrial goods made up 35 percent of all the goods exported, while today the figure has reached 57 percent. This fact alone shows the extent to which Hungarian industry has developed. Hungary now produces many industrial goods which formerly had to be imported. Today, after all domestic needs are satisfied, considerable quantities of these items are exported. They include new-type lathes, drilling machines, and power-plant equipment.

In light industry and agriculture, more and more items can be exported. They include such products as rice, all of which was imported before the war.

During the Three-Year Plan, the USSR helped Hungarian industry with the most essential raw materials, and it is delivering such important capital goods as the rachinery required for the mechanization of the construction industry, equipment for the large Danube Iron Foundry (Dunai Vasmu), and the Budapest subway. Foreign trade with the USSR has grown to six times its 1947 volume, and in 1950 it constituted 23.5 percent of all Hungarian foreign trade.

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The Soviet orders have stimulated many branches of Hungarian industry. Shipbuilding has increased more than three times and locomotive production more than twice since prewar times.

The good quality of machinery, equipment, raw materials, and seeds imported from the USSR is an important factor in Hungarian industry and agriculture. At the same time, Soviet agencies set certain specifications which have proved beneficial to Hungarian industry, by requiring industry to develop to meet these higher requirements.

Hungarian foreign trade with the people's democracies has developed as well. Sixty percent of all foreign trade this year was carried on with the USSR and the people's democracies. Trade in manufacturing equipment has increased constantly, as a natural result of the policy of industrialization in effect in these countries.

The Council of Economic Mutual Aid has played an important role in widening and strengthening foreign-trade relations among the people's democracies.

Long-term commercial treaties have come to enjoy great popularity. The treaties, based on the long-term plans of the people's democracies, provide for the various raw materials essential to industry, varied machinery for transportation and agriculture not produced in Hungary, and the equipment encessary to fulfill investment plans. At the same time, these treaties enable Hungary to carry out a planned increase in exports. This is significant because the Hungarian production potential can be exploited to the utmost in this way in the most economical manner. At the same time, production can be planned soundly and gradual conversion to mass production becomes possible.

A 5-year commercial treaty was signed with Poland recently, and soon one will be signed with the USSR This year, commercial relations were established and strengthened with several South American, Middle Eastern and Far Eastern countries. Of the 25 Hungarian foreign-trade representations, 17 are active in capitalist countries, and it is planned to establish more.

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